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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 000701

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STATE FOR NEA FOR FRONT OFFICE; NEA/IPA FOR  
GOLDBERGER/SHAMPAIN/ROSENSTOCK/PECCIA; NSC FOR  
ABRAMS/SINGH/PASCUAL

E.O. 12958: DECL: 03/24/2017  
TAGS: [PGOV](#) [PREL](#) [IS](#) [KPAL](#) [KWBG](#)  
SUBJECT: MARCH SETTLEMENT ACTIVITIES

REF: TEL AVIV 00538

Classified By: Ambassador Richard H. Jones for reasons 1.4 (b), (d)

11. (C) The following paragraphs seek to capture Israeli settlement activity in March, and where possible, provide GOI clarification or confirmation to reports of approved or planned GOI settlement construction.

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MOD Moves Against Outposts  
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12. (C) On March 19, Oded Herman, Senior Advisor to MOD Pol-Mil Advisor Amos Gilad, told EconCouns and econoff that four families and two of four caravans from the Yattir South outpost were evacuated on approximately March 13. One empty caravan was destroyed, one empty caravan was moved to the Yattir settlement, and two caravans remain at the site. According to Herman, legal issues prevented the MOD from removing the two remaining caravans from the site. Settlers from the Yattir South outpost are claiming that the Civil Administration had previously given them permits for the remaining caravans. Herman assured econoffs that legal issues regarding these caravans are being dealt with and that the caravans will be removed once these issues have been addressed. Two livestock buildings housing chickens and one container used as an office will remain at the site after the two caravans are evacuated. Per reftel, the MOD also dismantled the uninhabited outpost of Ofra South East and removed one structure from the EshKodesh outpost in early March.

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Illegal Construction at Derech Ha'avot  
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13. (C) Peace Now's Hagit Ofran told econoff on March 19 that ongoing illegal construction is occurring at the Derech Ha'avot outpost. According to Ofran, former MK Yigal Bibi is building a house at the site, which is reportedly on Palestinian-owned land. Although the Civil Administration has issued an order to stop the construction, work is still proceeding in the afternoons and at night to quickly complete the structure. The Palestinian land owner has previously filed three complaints against this construction, two with the police and one with the Civil Administration. On March 20, Econoff faxed to the MOD pictures of the construction and the March 16 police complaint filed by the land's owner.

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Givat Ze'ev: Approved  
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14. (U) On March 10, the Israeli newspaper Ha'aretz reported that Prime Minister Olmert had approved (on March 9) the construction of 750 new housing units in the Agan Ayelot neighborhood of the Givat Ze'ev settlement, located north of Jerusalem in the West Bank. According to the article, Olmert's approval renewed the construction of a project that the GOI started in 1999, but was halted due to intifada violence. Mark Regev, the Prime Minister's spokesman, said that the project is consistent with the state's current policy on construction in existing settlements. He said that construction of the project is consistent with the GOI's long-standing position that building within the large settlement blocs, which the GOI insists will remain a part of Israel in any final status agreement, will continue.

15. (C) On March 10, Ministry of Housing and Construction (MOCH) Director General Chaim Fialkoff confirmed to econoff that Olmert had approved the construction, but clarified that Olmert's approval will only allow 330 housing units to be built. Currently, according to Fialkoff, approximately 260 of these housing units are already in various stages of construction.

16. (C) Fialkoff provided the following background: In 1999, 10 companies were issued tenders to build a total of 546 housing units in Givat Ze'ev's Agan Ayelot neighborhood. As the eruption of intifada violence affected the marketing of the housing units, some of the 10 companies sued the GOI, seeking to either be released from their contracts or obtain government compensation for expended funds. Other companies, conversely, did not sue and continued to build and market the project's housing units. This issue has not been fully resolved as the MOCH is currently appealing a previous District Court decision to release some of the companies from

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their contracts.

17. (C) Within the last 18 months, however, market conditions improved and seven of the 10 companies involved are either currently building or expressed the desire to build these units. If these seven companies fulfill their tenders, a total of 330 housing units (of the 546 units approved for the project) will be built in the Agan Ayelot neighborhood of Givat Ze'ev. The three remaining companies are seeking to be released from their contractual agreements.

18. (C) Once a housing tender is issued to a construction company, the company signs one contract to build the housing units with the MOCH and another contract to build on the land designated for the project with the ILA (Israel Land Administration). In this case, said Fialkoff, while the companies' contracts with the MOCH are still valid, the contracts with the ILA have expired. Due to the sensitivity of building in settlements, the MOCH consulted with Prime Minister Olmert on whether the ILA contract could be extended since the MOCH contract never expired. Olmert's approval extended the ILA contract, thereby reapproving the construction of 330 housing units.

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Betar Illit and Ariel: Approved  
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19. (C) On March 10, Channel 2 News reported that the Ministry of Defense (MOD) had approved expansion plans for settlements in the West Bank under pressure from the Shas party. The report noted that construction was approved in the Betar Illit, Ariel, Efrata, and Sha'are Tikva settlements. Construction in the Ovnat, Talmon, Negohot, Elqana, and Ma'ale Adumim settlements was reported to be planned for a later stage.

110. (C) On March 19, Herman confirmed to EconCouns and econoff that the MOD had approved the construction of 32

housing units in Betar and 48 housing units in Ariel. He noted that these housing units are all inside populated sections within the settlement's built-up area. He also said that plans to build 620 new housing units in Ma'ale Adumim were not approved, but did not rule out the possibility that they may be approved in the future.

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Reportedly Approved, but Not Yet Verified  
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¶11. (C) Herman is verifying whether approval was granted in the remaining six settlements mentioned in the Channel 2 news report. Herman is also checking on the Hatzofe newspaper's March 21 report saying that Defense Minister Barak approved the addition of five trailers for the Tene Omarim settlement and approved the construction of 54 housing units for a new neighborhood in the Efrata settlement.

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Neve Ya'acov: In the Approval Process  
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¶12. (C) On March 10, Army Radio reported that the Jerusalem municipality is promoting a plan to build 400 new homes in the Neve Ya'acov settlement, located in East Jerusalem. Fialkoff confirmed to econoff on March 14 that the MOCH had submitted this plan to the Jerusalem municipality for approval. If the municipality approves the plan, it must then be approved by the regional planning council. Fialkoff estimated that obtaining full approval through these two bodies could take a year or longer. These 400 housing units are slated to be built outside the Jerusalem municipal boundaries, but inside the route of the barrier.

¶13. (C) Comment: This neighborhood is slated to be built on a north-eastern hillside outside of Neve Ya'acov's current built-up area. Although Neve Ya'acov is located in East Jerusalem, this adjacent hill is located in the West Bank (between Jerusalem's municipal boundaries and the security barrier). Construction of this neighborhood would ostensibly create a link between an East Jerusalem settlement (Neve Ya'acov) and a West Bank settlement (Adam). Our NGO contacts assess that as a result of the construction of this neighborhood, the GOI will likely either create an opening in the barrier or build an overpass/underpass to link Adam to the East Jerusalem neighborhoods that Israel hopes to retain in a final status agreement. The MOD is currently looking at

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relocating settlers from the Migron outpost to Adam. End comment.

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Givat Hamatos: In the Approval Process  
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¶14. (C) According to Ha'aretz, in early March, the Jerusalem municipality approved a plan for the construction of some 2,200 housing units at the Givat HaMatos settlement, located in East Jerusalem. The master plan of Givat HaMatos entails the construction of a hotel and a commercial and residential complex consisting of some 4,000 units.

¶15. (C) Comment: Although it is unclear where these 2,200 units in Givat HaMatos will be built, westward expansion of this settlement will effectively create an East Jerusalem Palestinian enclave consisting of the Beit Safafa and Sharafat villages and eliminate the sole remaining option to keep the Palestinian residents of Beit Safafa and Sharafat connected to East Jerusalem. Beit Safafa and Sharafat are currently flanked by the Green Line to the north, the Gilo settlement to the south and west, and Givat Hamatos to the east. End comment.

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